

Message Text

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TO AMEMBASSY KUWAIT

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LIMDIS

E.O. 11652: GDS

TAGS: MASS, KU

SUBJECT: US POLICY VIS-A-VIS KUWAIT'S ARMS MODERNIZATION
PROGRAM

REFS: (A) KUWAIT 0622 (B) KUWAIT 903 (C) KUWAIT 623
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1. DEPT WELCOMES EMBASSY'S EXCELLENT ANALYSIS OF US ROLE
IN GOK'S ARMS MODERNIZATION PROGRAM AND CONCURS IN GENERAL
WITH THOUGHTFUL ASSESSMENT OFFERED REF A. DECISIONS AS
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ELABORATED BELOW DO NOT REPRESENT BASIC USG POLICY CHANGE.

EMBASSY SHOULD CONTINUE TO STRESS OUR BASIC WILLINGNESS TO ASSIST THE GOK, EMPHASIZING AT THE SAME TIME, AS APPROPRIATE, CONGRESSIONAL SENSITIVITY TO GULF ARMS SALES, THE STRAINS ON OUR PRODUCTION AND SUPPORT BASE, AND OUR DESIRE TO CARRY OUT THOSE PROGRAMS THAT WE DO UNDERTAKE IN AN ORDERLY AND EFFECTIVE MANNER. FYI: CABLE WAS MOST TIMELY AS USG POLICY ON ARM'S SALES TO THE GULF IS CURRENTLY SUBJECT OF INTERAGENCY STUDY. EMBASSY'S VIEWS WILL BE TAKEN FULLY INTO ACCOUNT IN THE COURSE OF THIS STUDY. THIS INFORMATION IS NOT TO BE PASSED TO GOK. END FYI.

2. SPECIFICALLY, WE AGREE WITH EMBASSY'S ASSESSMENT THAT THE USG IS UNABLE TO ASSIST KUWAIT IN DEVELOPING A NAVY

EQUIPPED WITH THE HARPOON WEAPONS SYSTEM. IN THIS SPECIFIC CASE, OUR DECISION IS BASED ON BOTH POLICY AND PRACTICAL GROUNDS; WE DO NOT WISH TO UNDERTAKE MAJOR NEW COMMITMENTS IN KUWAIT UNTIL ONGOING PROGRAMS ARE WELL ESTABLISHED AND WE ALSO DO NOT WISH TO SELL THIS MISSILE SYSTEM TO THE SMALLER GULF STATES. MOREOVER, EVEN IF WE WERE INCLINED TO SUPPLY HARPOONS TO GOK, IT IS DOUBTFUL THAT CONGRESS WOULD ASSENT TO SUCH A PROGRAM, AND PUBLIC CONGRESSIONAL DISAPPROVAL COULD JEOPARDIZE OUR FUTURE RELATIONSHIP WITH KUWAIT MORE THAN A SIMPLE USG STATEMENT OF INABILITY TO UNDERTAKE THIS PROGRAM. WE ALSO HAVE IN MIND EMBASSY COMMENTS THAT, GIVEN GOK LIMITATIONS, SUCH A PROGRAM MIGHT NOT BE SUCCESSFUL. UNSUCCESSFUL PROGRAM WOULD BE LIKELY TO DISRUPT RELATIONSHIPS EVEN MORE THAN REFUSAL TO UNDERTAKE THE PROGRAM IN THE FIRST PLACE. EMBASSY MAY WISH, HOWEVER, TO SUGGEST TO GOK THAT THEY PURSUE PROCUREMENT PATROL BOATS (WITHOUT HARPOON) COMMERCIALLY.

3. WE HAVE GIVEN THE GOK REQUEST FOR 160 APCS AND TWO BATTALIONS OF 155 MM SP ARTILLERY TRANSMITTED REF B, CAREFUL CONSIDERATION UNDER OUR CURRENT GUIDELINES FOR FMS SALES TO THE AREA, AND ARE PREPARED TO GIVE FAVORABLE CONSIDERATION TO THE REQUEST. WHILE THE 1972 US SURVEY OF KUWAIT DEFENSE NEEDS DID NOT SPECIFICALLY RECOMMEND ADDITIONAL APCS OR ARTILLERY FOR KUWAIT, JCS BELIEVES CONFIDENTIAL

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REQUEST IS JUSTIFIED ON MILITARY GROUNDS, AND WE CONCUR THAT THE REQUEST IS BALANCED AND REASONABLE IN TERMS OF EQUIPMENT SOUGHT, STRENGTH AND NATURE OF THE POTENTIAL THREAT TO KUWAITI SECURITY, AND SUITABILITY FOR INTEGRATION OF THIS EQUIPMENT INTO OVERALL KUWAITI FORCE STRUCTURE. WE ALSO DO NOT BELIEVE THAT A SALE OF THIS RELATIVELY SMALL MAGNITUDE IS DESTABILIZING TO THE MILITARY BALANCE IN THE AREA. WE WILL TRANSMIT P AND A DATA AS SOON AS

THEY BECOME AVAILABLE. FYI: NEITHER LOA IS EXPECTED TO BE SUBJECT TO THE PROVISIONS OF SECTION 36(B) OF THE FOREIGN MILITARY SALES ACT. END FYI. EMBASSY MAY INFORM THE GOK OF USG APPROVAL IN PRINCIPLE OF THIS SALE. WE HOPE THAT THIS WILLINGNESS TO SUPPLY ADDITIONAL EQUIPMENT WILL MITIGATE TO SOME EXTENT THE NEGATIVE IMPACT OF OUR REFUSAL TO SELL HARPOON.

4. USG IS UNABLE TO SUPPLY A TECHNICAL TRAINING SCHOOL UNDER FMS PROCEDURES AS GOK HAS REQUESTED, BUT ARE PREPARED TO CONSIDER FAVORABLY REQUESTS FOR PROVIDING THIS SERVICE UNDER DIRECT COMMERCIAL CONTRACT THROUGH NORMAL MUNITIONS CONTROL PROCEDURES. THIS DECISION IS DICTATED BY PRACTICAL CONSIDERATIONS. EMBASSY SHOULD POINT OUT THAT OUR WILLINGNESS TO LICENSE COMMERCIAL DATA AND ASSISTANCE IS A

DEMONSTRATION OF OUR BASIC GOOD WILL TOWARD THE GOK AND OUR WILLINGNESS TO BE AS HELPFUL AS POSSIBLE.

5. THE ESTABLISHMENT OF AN EFFECTIVE COMMAND, CONTROL, AND COMMUNICATIONS SYSTEM, TAILORED TO SPECIFIC KUWAITI REQUIREMENTS, ALONG WITH A SUBSEQUENT JOINT OPERATIONS CENTER, IS A COMPLEX UNDERTAKING. IN THIS INSTANCE, SUCCESSFUL ACCOMPLISHMENT IS COMPOUNDED BY THE DIVERSITY OF EXISTING GOK EQUIPMENT AND THE NECESSITY FOR R AND D IN THE SOFTWARE AREA WHICH MAKES THIS EFFORT A HIGH RISK PROGRAM. WE BELIEVE THAT YOU SHOULD STRESS THE ABOVE MENTIONED COMPLEXITIES TO THE GOK WHEN YOU PRESENT THEM THE FOLLOWING THREE ALTERNATIVES:

A. DIRECT COMMERCIAL PURCHASE: THE GOK HAS REQUESTED AN LOA BASED ON A GILCRON PROPOSAL. WE ARE NOT IN A POSITION
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TO ASSESS THE ADEQUACY OF THIS PROPOSAL. DOD POLICY PRECLUDES ASSESSMENTS SINCE THE GILCRON PROPOSAL INCLUDES MANY COMMERCIAL COMPONENTS WHICH ARE NOT NOW SUPPORTABLE THROUGH NORMAL SERVICE CHANNELS. HOWEVER, COMMERCIAL PROCUREMENT IS AN OPTION FOR THE GOK.

B. SOLE SOURCE DIRECTED FMS PURCHASE: IF THE GOK DESIRES TO PURCHASE THE GILCRON PROPOSAL THROUGH FMS RATHER THAN A DIRECT COMMERCIAL PURCHASE THEY MUST SPECIFICALLY REQUEST FMS SOLE SOURCE PROCUREMENT WITH GILCRON AS THE PRIME CONTRACTOR. OTHERWISE, DOD PROCUREMENT REGULATIONS REQUIRE COMPETITIVE CONTRACTING AND THE GOK WOULD HAVE NO ASSURANCE THAT GILCRON WOULD BE THE WINNER OF THE COMPETITIVE CONTRACTING PROCEDURE.

C. COMPETITIVE CONTRACT FMS PURCHASE: IF THE GOK WISHES TO PURCHASE A SYSTEM THROUGH NORMAL FMS PROCEDURES WITH THE CONCOMITANT US GOVERNMENT GUARANTEES, WE WOULD BE WILLING TO CONSIDER A REQUEST FOR A SURVEY TEAM UNDER FMS. THE TEAM WOULD BE PROVIDED WITHIN 30 DAYS OF GOK ACCEPTANCE OF THE LOA AND WOULD CONDUCT A DETAILED SURVEY OF GOK REQUIREMENTS IN THIS AREA. A REPORT WOULD SUBSEQUENTLY BE PRESENTED TO THE GOK FOR THEIR REVIEW. DEPENDING ON DOD EVALUATION OF THE SURVEY, AND IF GOK DESIRES, WE WOULD THEN BE PREPARED TO DEVELOP APPROPRIATE FMS CASES TO INITIATE THE PROGRAM. (FYI: WE HAVE NO PARTICULAR CONCERN WHETHER THE GOK PURCHASE THEIR SYSTEM THROUGH COMMERCIAL OR FMS SOURCES. HOWEVER, WE FEEL THAT IMPORTANCE OF A FUNCTIONING COMMAND AND CONTROL AND COMMUNICATIONS SYSTEM TO OVERALL KUWAIT AIR DEFENSE NEEDS, PLUS THE IMPLIED COMMITMENT RESULTING FROM THE 1972 SURVEY, JUSTIFIES OFFERING THE GOK THE OPTION OF OBTAINING THE SYSTEM UNDER FMS, IF THEY SO DESIRE. END FYI.)

6. ON EMBASSY'S QUESTION REGARDING RELATIONS WITH PRIVATE CONTRACTORS CONTEMPLATING MILITARY SALES IN KUWAIT, EMBASSY SHOULD FIRST ASCERTAIN WHETHER THE ITEM OR SERVICE THAT THE CONTRACTOR IS ATTEMPTING TO SELL HAS RECEIVED USG POLICY APPROVAL. IN ADDITION TO NORMAL COMMUNICATIONS BETWEEN EMBASSY AND THE DEPARTMENT, A LICENSE TO EXPORT TECHNICAL INFORMATION, BROCHURES, OR EQUIPMENT

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ISSUED BY THE OFFICE OF MUNITIONS CONTROL IS ACCEPTABLE INDICATION THAT APPROVAL HAS BEEN OBTAINED. ONCE EMBASSY IS SATISFIED THAT THE FIRM HAS POLICY APPROVAL FOR ITS ACTIVITIES, IT SHOULD BE SUPPORTIVE OF US BUSINESS INTERESTS AS IS NORMAL IN REGULAR COMMERCIAL FUNCTIONS BEING CAREFUL TO AVOID ANY FAVORITISM OR APPEARANCE OF FAVORITISM TO PARTICULAR FIRMS. THERE IS, ON THE OTHER HAND, NOTHING TO LEGALLY FORBID ANY FIRM FROM INFORMALLY SOLICITING BUSINESS AS LONG AS THEY DO NOT MAKE USE OF MATERIALS CONTROLLED UNDER INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR). IN THIS TYPE OF CASE, EMBASSY SHOULD EXERCISE CAUTION, AVOIDING ANY ACTION WHICH WOULD IMPLY USG ENDORSEMENT OF A SALES PROPOSAL, AND IF APPLICABLE AND NECESSARY, SEEK GUIDANCE FROM THE DEPT.

7. USLOK PCS LOA AND USLOK TDY LOA WERE AIRMAILED FEB 25, 1976. AS SOON AS USLOK LOAS ARE SIGNED, WE WILL MAKE EVERY EFFORT TO STAFF USLOK LOA IN TIMELY MANNER.

8. WE DO NOT VIEW THE FOREGOING DECISIONS AS HERALDING A MAJOR USG POLICY SHIFT ON FMS SALES TO KUWAIT AND THEREFORE PREFER NOT TO FOCUS UNDUE ATTENTION ON THIS

MATTER WITH A HIGH-LEVEL OFFICIAL VISIT TO EXPLAIN THE
COURSE OF ACTION OUTLINED ABOVE.

9. AT YOUR DISCRETION, YOU SHOULD INFORM THE GOK OF THE
DECISIONS IN PARAS 2, 3, 4, AND 5 ABOVE AT THE APPROPRIATE
TIME AND AT THE APPROPRIATE LEVEL, STRESSING, HOWEVER,
OUR BASICALLY POSITIVE APPROACH, AND TAKING CARE NOT RPT
NOT TO SIGNAL ANY CHANGES IN POLICY. KISSINGER

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